

CHAPTER 6-2-A LIQUOR MANUFACTURING REGULATION

Name

This Sub-Chapter shall be known as the Colville Liquor Manufacturing Regulation Sub-Chapter.

6-2-A-1 Constitutional Authority

The Colville Business Council, under Article V of the Constitution of the Confederated Tribes of the Colville Indian Reservation, and the Colville Tribal Code (CTC) possesses the authority to adopt this Sub-Chapter.

6-2-A-2 Findings

- a) Under present conditions the Business Council of the Colville Confederated Tribes finds it necessary to more closely control the manufacture of liquor within the boundaries of the Colville Indian Reservation as a means of introduction.
- b) The Business Council finds that Tribal regulation of the manufacture of liquor on the reservation falls within the definition of “introduction”, which is already covered by Chapter 6-2 of the CTC.
- c) The Business Council further finds it desirable to create the authority for the manufacture of liquor as a way to allow for job creation, economic development and the collection of taxes related to such activities.
- d) The CBC further finds that taxation of liquor sold to non-Indian purchasers by licensed Tribal Enterprises in the Tribes’ Indian Country is a matter separate from liquor licensure and shall be governed by a duly-executed MOA between the Tribes and the State Department of Revenue (DOR).
- e) Notwithstanding subsection j), the CBC further finds that it is in the Tribes’ best interests, and its proper exercise of sovereignty, self-governance and self-determination, to enter into an MOA between the Tribes and the Washington State Liquor and Cannabis Board to cover, in addition to other existing aspects of the regulation of liquor, the manufacturing of liquor on all lands governed by the Tribes.
- f) In the 115th Congress, the House and Senate passed H.R. 5317, a bill that repealed a section of the Non-Intercourse Act (codified at 25 U.S.C. §251) originally enacted in 1834 during the Andrew Jackson era. That section of the Non-Intercourse Act prohibited the construction and operation of a distillery in Indian Country for the purposes of producing ardent spirits. The President signed the bill into law as Pub. L. 115-304 on December 12, 2018. Pub. L. 115-304 made it possible for the first time for Tribes to legally construct and operate distilleries on their reservation land and Indian country for the manufacture and production of distilled spirits as a means of “introduction”. The adoption of this Sub-Chapter reflects this newly established sovereign right of the Tribes as a result of the repeal of that old federal statute.
- g) For these reasons, the Business Council finds it necessary to enact this Sub-Chapter authorizing and regulating the manufacture of liquor under the Tribe’s existing authority to regulate the “introduction” of liquor on lands within the boundaries of the Colville Indian Reservation.

6-2-A-3 Manufacture as a means of Introduction of Liquor

The CTC currently authorizes, among other activities related to liquor, the right of the Tribes to regulate the “introduction” of liquor. The Tribes find as a matter of law that the “manufacture” of liquor is a means of “introduction” and therefore, the CTC envisions that manufacturing of liquor is allowed as a liquor-related activity under the current CTC. The purpose of this Sub-Chapter is to clarify the activities allowed that are related to the manufacture of liquor within the boundaries of the Colville Indian Reservation.

6-2-A-4 Conformity with Federal Laws

This Chapter shall govern the manufacture of liquor as a means of introduction within the Colville Indian Reservation pursuant to federal law; Resolution 1953-50 passed on October 9, 1953 by the Colville Business Council and published in the Federal Register, Volume 18, No. 230, on November 25, 1953, as subsequently amended, and shall amend all prior enactments of the Business Council inconsistent with this Chapter.

6-2-A-5 Conflict with Prior Resolutions

This Sub-Chapter shall amend all Resolutions of the Business Council inconsistent with the Chapter that this Sub-chapter is incorporated into.

6-2-A-6 Definitions

In general the definitions contained in Chapter 6-2 shall apply to the terms used in this Sub-Chapter unless otherwise defined in this Sub-Chapter.

- a) “Alcohol” is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilution and mixtures of this substance. Common forms of beverage alcohol include beer, wine, distilled spirits, cider, mead, flavored malt beverages, seltzers and other commonly marketed forms of alcoholic beverages that are designed for human consumption.
- b) “Brewer” means a person engaged in the business of producing beer or other alcoholic beverages that would be allowed to be produced under a federal brewer’s permit.
- c) “Brewery” means a permitted and licensed commercial facility used for the production, bottling, canning, kegging, packaging, distribution and retail sales of beer or other alcoholic beverages that would be allowed to be produced under a federal brewer’s permit on Tribal lands.
- d) “Distiller” means a person engaged in the business of producing distilled spirits.
- e) “Distillery” means a permitted and licensed commercial facility the production, distilling, blending, aging, bottling, packaging, distribution and retail sales of distilled spirits on Tribal lands.
- f) “Manufacturer” shall mean the introduction of liquor, specifically any one or more acts of fermenting, distilling, blending, aging, bottling, packaging or any other value-added step of the alcoholic beverage manufacturing process, as a means of introduction on Tribal lands. It primarily includes approved distilleries, breweries and wineries.
- g) “Tasting Room” means a retail outlet owned by a manufacturer that is the consumer facing area for consumers to sample, consume for on-premise consumption and purchase for off-premise consumption liquor produced by such operator. Such premises may be attached to the manufacturing facility, or it may be offsite, not attached to, the manufacturing facility.
- h) “Tribally licensed manufacture” shall mean an entity not owned by the Tribes for the purposes of manufacturing liquor under this Sub-Chapter, but which is otherwise permitted and licensed consistent with this Sub-Chapter and the CTC for the purposes of manufacturing liquor.
- i) “Tribally owned manufacture” shall mean an entity owned by the Tribes for the purposes of manufacturing liquor under this Sub-Chapter.
- j) “Wine” means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural fruit products containing sugar, to which any saccharin substances may have been added before, during or after fermentation, and containing not more than seventeen percent of alcohol by weight, including sweet wines fortified with wine spirits, such as port, sherry, muscatel and angelica, not exceeding seventeen percent of alcohol by weight, in a facility permitted to produce such products under a federal winery permit on Tribal lands
- k) “Winemaker” means the person operating a permitted and licensed commercial winery on Tribal lands.
- l) “Winery” means a facility permitted and licensed to produce wine on Tribal lands, including the production, blending, bottling, canning, kegging, packaging, distribution and retail sales of wine, cider and other vinous

liquor on Tribal lands.

6-2-A-7 Stamping of Liquor.

A liquor product produced on Tribal lands by any licensed manufacture under this Sub-Chapter that carries a Tribal lands address shall automatically be treated as having a proper stamp required under Chapter 6-2 applied.

6-2-A-8 Manufacturing License Types

The following license types are hereby created and authorized to issue to approved Tribally licensed manufactures and Tribally owned manufacturers. No Tribal licensed may be issued to the manufacture of liquor unless the operator can prove they possess or are in the process of securing, the proper federal permit requires to operate such liquor manufacture.

- a) **Distillery License.** There is hereby authorized a Distillery License for Distilleries to be operated on Tribal land for the purposes of manufacturing distilled spirits, as a means of introduction for such spirits, for sale to consumers on Tribal land, and for other related purposes consistent with Chapter 6-2. Such license may include a related retail sales outlet or tasting room, and warehousing space, that may or may not be attached to the manufacturing facility, for the purpose of serving and selling spirits manufactured to consumers. Such Distillery may also distribute finished spirits products to any other Tribally owned or licensed retail liquor store or outlet on the Tribe's land. The Tribe may partner with a third-party entity experienced in designing, building and operating distilleries and tasting rooms as part of this license.
- b) **Brewery License.** There is hereby authorized a Brewery License for Breweries to be operated on Tribal land for the purposes of manufacturing beer, as a means of introduction for such beer, for sale to consumers on Tribal land, and for other related purposes. Such license may include a related retail sales outlet or tasting room, and warehousing space, that may or may not be attached to the manufacturing facility, for the purpose of serving and selling beer manufactured to consumers. Such Brewery may also distribute finished beer products to any other Tribally owned or licensed retail liquor store or outlet on the Tribe's land. The Tribe may partner with a third-party entity experienced in designing, building and operating distilleries and tasting rooms as part of this license.
- c) **Winery License.** There is hereby authorized a Winery License for Wineries to be operated on Tribal land for the purposes of manufacturing wine, mead or cider, as a means of introduction, for sale to consumers on Tribal land, and for other related purposes. Such license may include a related retail sales outlet or tasting room, and warehousing space, that may or may not be attached to the manufacturing facility, for the purpose of serving and selling wine, mead or cider manufactured to consumers. Such Winery may also distribute finished wine, mead and cider products to any other Tribally owned or licensed retail liquor store or outlet on the Tribe's land. The Tribe may partner with a third-party entity experienced in designing, building and operating wineries and tasting rooms as part of this license.

- 6-2-22 Illegal Transportation of Liquor or Sale Without Permit; Intent to Distill; Possession of A Still.** Any person who shall sell or offer for sale or transport in any manner, any liquor in violation of the CTC, or who shall operate or have in his or her possession without a permit, any mash with the intent to distill it into distilled spirits, shall be in violation of this title. Any person or entity, other than a properly permitted and licensed distillery, who shall possess a still with the intent of producing distilled spirits shall be in violation of this title.

- 6-2-23 Drinking in a Public Conveyance.** Any person engaged wholly or in part in the business of carrying passengers for hire, and every agent, servant, or employee of such person who shall knowingly permit any person to drink any liquor in any public conveyance shall be in violation of this title. Any person who shall drink any liquor in a public conveyance shall be in violation of this title. The prohibitions contained in this section shall not apply to the service or consumption of liquor in a conveyance operated by or for a Tribal enterprise carrying consumers of legal drinking age to a Tribally operated casino, hotel, restaurant or venue.